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TO: Director

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1. Following station assessment of present Guinea financial crisis precipitated by President's announcement 1 March that beginning that date Guinea to have own currency, apparently unbacked. As result there utter confusion banking, business, western diplomatic circles. Confusion, uncertainty more complete each day with lack clarification from Guinea Government. Rumor rife but at present not possible separate truth from stories based on supposition and speculation.

2. Facts which can be established:

- a. Banks closed.
- b. French West African franc no longer legal tender but being accepted exchange for Guinean francs in Government Exchange Bureaus. No other currency exchange legal until further notice.
- c. Guinea Government has postponed conference with bank Directors daily since 1 March.
- c. President's Press Conference 4 March produced only more rhetoric, bombast and political justification for move, but no light on who, if anyone, backing currency.

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Excerpt from Journal

Office of Legislative Counsel

Monday - 29 February 1960

Edward McCabe, on the White House Staff, called to discuss developments in the hearings of Senator Jackson's Subcommittee on National Policy Planning. Mr. McCabe wished to alert us to the fact that it is quite likely Senator Karl E. Mundt (R., S.Dak.) will renew his efforts to have his bill creating a freedom academy reported and passed by the Senate. Mr. McCabe feels that Senator Mundt will take the position that his proposal, while not necessarily perfect, would be a basis for solving some of the problems the Committee has discovered in the course of its hearings. Mr. McCabe feels that the Director should be alerted to the possibility of his being questioned on this proposal if he appears again as a witness before the Subcommittee.

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cc: DCI
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